

House File 619 - Introduced

HOUSE FILE _____
BY FORD

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to urban renewal and tax increment financing, and
2 including effective date and applicability date provisions.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 2336HH 83
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1 1 Section 1. Section 368.26, unnumbered paragraph 3, Code
1 2 2009, is amended to read as follows:
1 3 For the purposes of this section, "protected farmland"
1 4 means land that is part of a century farm ~~as that term is~~
~~1 5 defined in section 403.17, subsection 10. For the purposes of~~
~~1 6 this section, "century farm" means a farm in which at least~~
~~1 7 forty acres of such farm have been held in continuous~~
~~1 8 ownership by the same family for one hundred years or more.~~
1 9 For the purposes of this section, "county legislation" means
1 10 any ordinance, motion, resolution, or amendment adopted by a
1 11 county pursuant to section 331.302.
1 12 Sec. 2. Section 403.2, subsection 3, Code 2009, is amended
1 13 by striking the subsection.
1 14 Sec. 3. Section 403.4, subsections 1 and 2, Code 2009, are
1 15 amended to read as follows:
1 16 1. One or more slum, ~~or blighted or economic development~~
1 17 areas exist in the municipality.
1 18 2. The rehabilitation, conservation, redevelopment,
1 19 ~~development,~~ or a combination thereof, of the area is
1 20 necessary in the interest of the public health, safety, or
1 21 welfare of the residents of the municipality.
1 22 Sec. 4. Section 403.5, subsection 1, Code 2009, is amended
1 23 to read as follows:
1 24 1. A municipality shall not approve an urban renewal
1 25 project for an urban renewal area unless the governing body
1 26 has, by resolution, determined the area to be a slum area,
1 27 blighted area, ~~economic development area~~ or a combination of
1 28 those areas, and designated the area as appropriate for an
1 29 urban renewal project. The local governing body shall not
1 30 approve an urban renewal plan until a general plan for the
1 31 municipality has been prepared. For this purpose and other
1 32 municipal purposes, authority is vested in every municipality
1 33 to prepare, to adopt and to revise from time to time, a
1 34 general plan for the physical development of the municipality
1 35 as a whole, giving due regard to the environs and metropolitan
2 1 surroundings. A municipality shall not acquire real property
2 2 for an urban renewal project unless the local governing body
2 3 has approved the urban renewal project in accordance with
2 4 subsection 4.
2 5 Sec. 5. Section 403.5, subsection 4, paragraph b,
2 6 subparagraph (1), subparagraph divisions (c) and (d), Code
2 7 2009, are amended by striking the subparagraph divisions.
2 8 Sec. 6. Section 403.5, subsection 7, Code 2009, is amended
2 9 to read as follows:
2 10 7. Notwithstanding any other provisions of this chapter,
2 11 where the local governing body certifies that an area is in
2 12 need of redevelopment or rehabilitation as a result of a
2 13 flood, fire, hurricane, earthquake, storm, or other
2 14 catastrophe respecting which the governor of the state has
2 15 certified the need for disaster assistance under ~~Pub. L. No.~~
~~2 16 81-875, Eighty-first Congress, 64 Stat. 1109, codified at 42~~
2 17 U.S.C. } ~~1855--1855g~~ 5121 et seq. or other federal law, the
2 18 local governing body may approve an urban renewal plan and an
2 19 urban renewal project with respect to such area without regard
2 20 to the provisions of subsection 4 and without regard to

2 21 provisions of this section requiring notification and
2 22 consultation, a general plan for the municipality, and a
2 23 public hearing on the urban renewal plan or project.

2 24 Sec. 7. Section 403.6, subsection 7, Code 2009, is amended
2 25 to read as follows:

2 26 7. To plan for the relocation of persons, including
2 27 families, business concerns and others, displaced by an urban
2 28 renewal project, and to make relocation payments to or with
2 29 respect to such persons for moving expenses and losses of
2 30 property for which reimbursement or compensation is not
2 31 otherwise made, including the making of such payments financed
2 32 by the federal government. Other provisions of the Code
2 33 notwithstanding, in making such payments on projects not
2 34 federally funded, the municipality may pay relocation
2 35 assistance benefits in the amounts authorized by ~~the Uniform~~
- 3 1 ~~Relocation Assistance and Real Property Acquisition Policies~~
- 3 2 ~~Act of 1970, Pub. L. No. 91-646, as amended by the Uniform~~
- 3 3 ~~Relocation Act Amendments of 1987, Title IV, Pub. L. No.~~
- 3 4 ~~100-17 42 U.S.C. } 4601 et seq.~~

3 5 Sec. 8. Section 403.7, subsection 1, unnumbered paragraph
3 6 1, Code 2009, is amended to read as follows:

3 7 A municipality shall have the right to acquire by
3 8 condemnation any interest in real property, including a fee
3 9 simple title thereto, which it may deem necessary for or in
3 10 connection with an urban renewal project under this chapter,
3 11 subject to the limitations on eminent domain authority in
3 12 chapter 6A. However, a municipality shall not condemn
3 13 agricultural land included within an ~~economic development~~
3 14 ~~urban renewal~~ area for any use unless the owner of the
3 15 agricultural land consents to condemnation or unless the
3 16 municipality determines that the land is necessary or useful
3 17 for any of the following:

3 18 Sec. 9. Section 403.17, subsections 10, 12, and 14, Code
3 19 2009, are amended by striking the subsections.

3 20 Sec. 10. Section 403.17, subsection 23, Code 2009, is
3 21 amended to read as follows:

3 22 23. "Urban renewal area" means a slum area, blighted area,
3 23 ~~economic development area~~, or combination of the areas, which
3 24 the local governing body designates as appropriate for an
3 25 urban renewal project.

3 26 Sec. 11. Section 403.17, subsection 25, unnumbered
3 27 paragraph 1, Code 2009, is amended to read as follows:

3 28 "Urban renewal project" may include undertakings and
3 29 activities of a municipality in an urban renewal area for the
3 30 elimination and for the prevention of the development or
3 31 spread of slums and blight, ~~may include the designation and~~
- 3 32 ~~development of an economic development area in an urban~~
- 3 33 ~~renewal area~~, and may involve slum clearance and redevelopment
3 34 in an urban renewal area, or rehabilitation or conservation in
3 35 an urban renewal area, or any combination or part thereof in
4 1 accordance with an urban renewal program. The undertakings
4 2 and activities may include:

4 3 Sec. 12. Section 403.17, subsection 25, paragraph a, Code
4 4 2009, is amended to read as follows:

4 5 a. Acquisition of a slum area, blighted area, ~~economic~~
- 4 6 ~~development area~~, or portion of the areas;

4 7 Sec. 13. Section 403.19, subsection 2, Code 2009, is
4 8 amended to read as follows:

4 9 2. That portion of the taxes each year in excess of such
4 10 amount shall be allocated to and when collected be paid into a
4 11 special fund of the municipality to pay the principal of and
4 12 interest on loans, moneys advanced to, or indebtedness,
4 13 whether funded, refunded, assumed, or otherwise, including
4 14 bonds issued under the authority of section 403.9, subsection
4 15 1, incurred by the municipality to finance or refinance, in
4 16 whole or in part, an urban renewal project within the area,
4 17 ~~and to provide assistance for low and moderate income family~~
- 4 18 ~~housing as provided in section 403.22~~, except that taxes for
4 19 the regular and voter-approved physical plant and equipment
4 20 levy of a school district imposed pursuant to section 298.2
4 21 and taxes for the payment of bonds and interest of each taxing
4 22 district must be collected against all taxable property within
4 23 the taxing district without limitation by the provisions of
4 24 this subsection. However, all or a portion of the taxes for
4 25 the physical plant and equipment levy shall be paid by the
4 26 school district to the municipality if the auditor certifies
4 27 to the school district by July 1 the amount of such levy that
4 28 is necessary to pay the principal and interest on bonds issued
4 29 by the municipality to finance an urban renewal project, which
4 30 bonds were issued before July 1, 2001. Indebtedness incurred
4 31 to refund bonds issued prior to July 1, 2001, shall not be

4 32 included in the certification. Such school district shall pay
4 33 over the amount certified by November 1 and May 1 of the
4 34 fiscal year following certification to the school district.
4 35 Unless and until the total assessed valuation of the taxable
5 1 property in an urban renewal area exceeds the total assessed
5 2 value of the taxable property in such area as shown by the
5 3 last equalized assessment roll referred to in subsection 1,
5 4 all of the taxes levied and collected upon the taxable
5 5 property in the urban renewal area shall be paid into the
5 6 funds for the respective taxing districts as taxes by or for
5 7 the taxing districts in the same manner as all other property
5 8 taxes. When such loans, advances, indebtedness, and bonds, if
5 9 any, and interest thereon, have been paid, all moneys
5 10 thereafter received from taxes upon the taxable property in
5 11 such urban renewal area shall be paid into the funds for the
5 12 respective taxing districts in the same manner as taxes on all
5 13 other property. In those instances where a school district
5 14 has entered into an agreement pursuant to section 279.64 for
5 15 sharing of school district taxes levied and collected from
5 16 valuation described in this subsection and released to the
5 17 school district, the school district shall transfer the taxes
5 18 as provided in the agreement.

5 19 Sec. 14. Section 404.1, subsection 4, Code 2009, is
5 20 amended by striking the subsection.

5 21 Sec. 15. Section 403.22, Code 2009, is repealed.

5 22 Sec. 16. EFFECTIVE AND APPLICABILITY DATES. This Act,
5 23 being deemed of immediate importance, takes effect upon
5 24 enactment and applies to urban renewal areas, urban renewal
5 25 plans and amendments to urban renewal plans, and urban renewal
5 26 projects established, approved, or adopted on or after the
5 27 effective date of this Act.

5 28 EXPLANATION

5 29 This bill makes changes to the law relating to urban
5 30 renewal and tax increment financing. Current Code chapter 403
5 31 authorizes economic development as a purpose for approval of
5 32 an urban renewal plan and urban renewal projects within the
5 33 urban renewal area. The bill eliminates economic development
5 34 as an authorized purpose under Code chapter 403. The bill
5 35 also makes corresponding changes to other sections of the Code
6 1 to reflect changes made to Code chapter 403.

6 2 The bill takes effect upon enactment and applies to urban
6 3 renewal areas, urban renewal plans and amendments to plans,
6 4 and urban renewal projects established, approved, or adopted
6 5 on or after the effective date of the bill.

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